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CITY OF DALY CITY  
MINUTES - SPECIAL MEETING - CITY COUNCIL  
FEBRUARY 23, 1976

These minutes being a record of proceedings certify that the City Council met in the Council Chambers, Monday evening, February 23, 1976 at 8:00 P.M.

The meeting was called to order by Mayor Kyriakis and upon roll call, Councilmen Giammona, Hupf, Schumacher, Stewart, Kyriakis, the City Manager, City Attorney, City Clerk and the Director of the Department of Community Development were recorded present.

At this point, Mayor Kyriakis announced that he was suffering from laryngitis and requested that Mayor pro tempore Schumacher chair the meeting.

PUBLIC HEARING:

Community Development Priorities and Program - Second Year Funding

Mayor pro tem Schumacher declared open the hearing in the matter of second year funding recommendations on Community Development Priorities and Programs.

The City Manager, David Rowe, advised that the City Council had received requests for appropriations under the Housing and Community Development Act at a hearing on January 19th. At this hearing Staff provided the members of the City Council by a memo dated January 19th a listing of the three year program as project in 1975; on the third page was listed the actual appropriations approved for the 1975-76 fiscal year and the second column on that page listed the anticipated second year funding. We had anticipated funds in the sum of \$502,000; however, we were advised that the allocation would be \$459,000 and are recently advised that the total allocation will be \$460,000 for the second year funding.


On January 29th, the Citizens Advisory Committee on the General Plan considered the requests during a public hearing and developed recommendations to the City Council which are included in the Council's materials at this meeting and which reflect allocations in the sum of \$459,000. Also included in Council's materials are a letter from the Planning Commission, Staff Report and other documents as a result of its meeting of February 10th and Planning Commission made the same recommendations as the Advisory Committee with the exception of an additional \$1,000 to Code Enforcement for a total of \$460,000. He added that Staff concurs with the recommendations of the Advisory Committee and the Planning Commission and incorporated into the minutes his memo dated February 23rd addressed to the Council.

Mayor pro tem Schumacher invited any interested person in the audience to appear before the Council at this time and be heard.

Mr. J. Valentine, Guadalupe Health Center Director, stated that as reflected in the Planning Commission minutes, he had appeared and objected to the disqualification of Guadalupe without proper consideration; that he felt there should be a reevaluation of priorities and questioned the criteria upon which the selection is made and that the statement that additional other funds are available to support Guadalupe Center might not be correct in light of the possibility that Revenue Sharing Funds would not be forthcoming and he asked that the Council take a second look at his request.

Mr. Valentine stated that Guadalupe had handled 14,120 visits per month in 1975 and predicted 18,000 visits during 1976 and that 92% of the visits were from residents of Daly City. He objected to the Planning Commission notation that there might be other sources of funding because you cannot run an organization on supposition. He said the Center faces a cutback in HUD funds of \$110,000 which would necessitate cutting back services.

Councilman Hupf inquired if this meant they will have an increase of 4000 visits per month in 1976 and also asked as to the Center's current operating budget.



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PUBLIC HEARING: Continued

Community Development Program - Cont'd.

Mr. Valentine replied affirmatively to the increase in visits per month and advised that the current operating budget is \$720,000 per year which is disbursed for salaries, medical supplies et cetera with 60% to 65% of the budget going for salaries which average \$15 per hour for professional Staff members.

Councilman Stewart inquired if it is not the County's responsibility to take care of health needs within the County. Mr. Valentine replied that it is the County's responsibility to supply some sort of health care but unfortunately none is spent in North County. Councilman Stewart said that when the City went into the health care program several years ago it did so reluctantly because this is the County's responsibility and even though 35% to 40% of the citizens live in North County, the County is not meeting its obligation to them. Mr. Valentine added that in order to supply quality health care at a minimum cost, the Center must have financial support.

Councilman Schumacher inquired if Mr. Valentine had attempted to secure a contract from the County for health care and Mr. Valentine replied that he had submitted an application which was denied.

Councilman Giammona recommended that a letter be written to the County requesting that the County participate more in the health services through Guadalupe; that the City has given over \$95,000 to the Center and if the County has not participated it is in order for us to request the County to participate in the cost of health care in the north end of the County.

Councilman Hupf requested some sort of a representation that the present Board of Directors is administering the program correctly. Mr. Valentine replied that he has been assured by HEW that the program is meeting their requirements as of February. Councilman Hupf stated that he felt Councilman Giammona's suggestion was well proposed and he thought one of the finest things that has occurred in the past few years was the formation of the Guadalupe Health Center and the work it is doing and the project should be helped by the County.

The City Attorney, Albert Polonsky, suggested that the contact with the County should be in the form of a letter asking for clarification of the County's position.

Mr. Valentine expressed his appreciation for the Council's consideration on behalf of the Center and would appreciate a reevaluation of the funds available.

Miss Mary Privelos stated that she was a nurse from the school district and advised that the district had used the Guadalupe Center for medical referral because of lack of transportation to the facilities in South County and that the County had even refused to offer the TB skin tests in the North County.

Councilman Giammona moved that his suggestion for the transmittal of a letter to the County be adopted. Motion was seconded by Councilman Stewart and carried.

Mrs. Jane Powell, Chairman of the Advisory Committee on the General Plan, inquired about funds necessary to assist the Senior Citizens program and was advised that it was felt that this program could be funded through other sources.

Mr. Conrad Pavellas, 62 Theta Street, stated that federal grants in aid were first instituted by President Roosevelt and were intended for social welfare only but the Revenue Sharing gives States and Cities a great deal of leeway and he felt it ironic that a social service such as the Guadalupe Center would be denied while other projects, although worth while, are approved.





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PUBLIC HEARING: Continued

Community Development Program - Cont'd.

Mr. Pavellas inquired how many of the 600 homes up for rehabilitation are owned by absentee landlords because he felt that the City could require these owners to bring their buildings up to code and retain the funds for people who live here. Councilman Hupf stated that he felt Mr. Pavellas' point is well taken; that if a person purchased a piece of property to obtain revenue and does not maintain the property, he should not be eligible or considered for an appropriation and the funds should only be made available to owner-occupants.

Mr. Pavellas stated that some people are concerned because they feel that modern day codes may apply to their homes which were built 30 years ago. The City Attorney replied that as long as the structure is safe they need not worry but if someone put in something on their own without getting a permit, that work would have to be examined.

Mr. Pavellas asked when the funding would be implemented and the City Attorney replied that the procedures for public hearings are required and after such hearings, the Council will be in a position to make a determination.

Mrs. Rhina Gonzales, a representative of the Daly City Community for Childrens Services, advised that if this organization were not appropriated an additional \$16,000 it would be unable to feed the children who were under its care; she said the \$25,000 lease for the modular classrooms had absorbed the funds needed for food. Councilman Giammona stated that he would like to explore the possibility of taking the \$16,000 required for the Day Care program from the development of the multi-purpose community facility and give it to the Day Care Center.

Councilman Hupf said he did not disagree with Councilman Giammona's request but would request that the same consideration be given to the Guadalupe Health Center. The City Manager stated that there are rules set up by the HCDA and justification for funding a program is subject to those rules.

Mrs. Virgel Davis, President of Daly City Senior Citizens, inquired if this group would be covered by the umbrella of the Community Service Center and the City Manager replied in the affirmative.

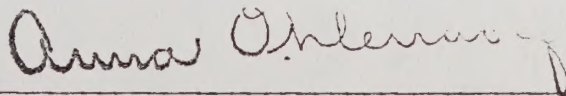
It was moved by Councilman Kyriakis, seconded by Councilman Giammona and carried that the hearing be closed.

Councilman Hupf suggested that the application from Guadalupe Center be re-evaluated and Councilman Giammona reiterated that he desired an additional \$16,000 be allocated to the Day Care Center. Mayor pro tempore Schumacher added that he would like to see consideration given to both of these programs.

Councilman Stewart stated he felt that the City's continued support of Guadalupe would relieve the County of its responsibility to offer health care in this area. Councilman Giammona suggested that the Council address a letter to the Board of Supervisors in this regard and see what response is given.

ADJOURNMENT:

It was moved by Councilman Stewart, seconded by Councilman Hupf and carried that the meeting be adjourned.



City Clerk

Approved as submitted, this \_\_\_\_\_  
day of \_\_\_\_\_, 1976.

\_\_\_\_\_  
Mayor pro tempore

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DALY CITY PLANNING COMMISSION

Regular Meeting

February 10, 1976

OPENING OF MEETING:

The meeting was called to order by Chairman Frank Tardelli at 8:05 p.m.

ROLL CALL: Present: Edward O'Donnell  
Leonard Brown  
LeRoy Franzoia  
Frank Tardelli

Absent: Ernest Molinari

Also Present: Don Fleming, Director of Community Development  
Clarence Mobley, Senior Civil Engineer  
Tom Miller, Assistant Planner  
Josephine McHugh, Recording Secretary

MINUTES: Commissioner O'Donnell moved to approve the minutes of the regular meeting of January 13, 1976. Commissioner Brown seconded the motion. Motion passed unanimously.

CONTINUED HEARING - AGENDA ITEM NO.:

11. UP75-16 USE PERMIT APPLICATION NO. UP75-16: Filed by Alta California Properties, Inc. to allow the development and operation of a small-scale neighborhood shopping center located on the northeast corner of the Third Avenue/East Market Street intersection, ID Interim District Zone. (EIR UP75-16: Determination of whether the proposed project may have a significant impact upon the environment) (Continued from January 13, 1976)

Mr. Tom Miller, Assistant Planner, read into the record a letter from the applicant requesting that this application be continued to the next regularly scheduled meeting.

Commissioner O'Donnell so moved and Commissioner Franzoia seconded. Motion passed unanimously.

SUBDIVISION:

21. SUB76-1 TENTATIVE SUBDIVISION MAP NO. SUB76-1: Filed by 2222 Nineteenth Realty Company for a resubdivision of property to permit R-2 (Two-family Residential) Zoned District development, located southerly of Price Street between Hillside Boulevard and Third Avenue. (EIR SUB76-1: Determination of whether the proposed project may have a significant impact upon the environment)

Commissioner Brown left the Chambers at this time.

Mr. Miller noted the property is presently zoned ID(Interim District) but that the applicant's requested zone change to an R-2 District will become effective February 26, 1976; that this application proposes to resubdivide





five 10,000 square foot parcels into 20 lots to allow two-family residential development; and the zone change will allow construction of a duplex on each of the 20 lots. He read into the record the Staff Report prepared by the Department of Community Development recommending approval of the Tentative Map, which report includes the City Engineer's recommendations, and requested the Commission concur with the Department's environmental evaluation that this proposed development would not have an adverse impact.

Mr. James Rowell, President of Eastside Associates, was present on behalf of the developer. There was considerable discussion regarding the City Engineer's requirements for a storm drainage system and the construction of curbs, gutters, and sidewalks, but it was noted these requirements would be governed by City codes. No one appeared in opposition to this application.

With respect to this matter, the Commission directed Staff to file a Negative Declaration under provisions of the California Environmental Quality Act.

Commissioner O'Donnell moved the Planning Commission approve the Tentative Map subject to the conditions set forth by the Department of Community Development with the exception of Item No. 8 of the City Engineer's recommendations. Said conditions are on file in the Department of Community Development. Commissioner Franzonia seconded the motion. Motion passed.

Commissioner Brown returned to the Chambers.

#### ENVIRONMENTAL IMPACT REPORT:

31. EIR SUB75-5 Determination of whether a proposed subdivision at the southwest corner of Hickey and Callan Boulevards may have a significant impact upon the environment and whether an Environmental Impact Report should be prepared.

Commissioner Brown left the Chambers at this time.

Mr. Miller noted that the applicant has requested resubdivision of 14 parcels presently zoned R-3 Multiple Residential Zoned District to allow the development of 58 single-family homes. He stated that consideration of a tentative subdivision map is scheduled for a subsequent meeting and consequently the only question before the Commission is whether or not an Environmental Impact Report is necessary. He cited nine factors which should be considered in determining the possibility of significant environmental impact but noted it was Staff's recommendation that a Negative Declaration be prepared.

Mr. Andy Cresci, representing Suburban Realty Company, was present on behalf of this matter and stated that this proposed development would actually down-zone this land. He noted he met with the Director of Community Development and the City Engineer and it was felt this proposal was the best solution to developing this property.

With respect to this matter, the Planning Commission considered EIR SUB75-5 and concurred with Staff's recommendation that this project will not have a





significant effect on the environment. The Commission directed Staff to file a Negative Declaration under provisions of the California Environmental Quality Act.

Commissioner Brown returned to the Chambers.

#### OTHER BUSINESS:

41. Review of the proposed distribution of Daly City's second year Housing and Community Development Act of 1974 (HCDA) Grant.

Mr. Don Fleming, Director of the Department of Community Development, noted that the level of second-year funding has been reduced from \$502,000 to \$460,000 and this necessitated adjusting allocations as proposed in 1975. He stated that the requests made at the public hearing before the City Council totalled \$3,606,770 but that some of the requests were found to be ineligible under HCDA rules as shown in the Federal Register dated January 19, 1976, and others were duplications. He specifically noted requests from the Crocker Neighborhood Association and the Senior Citizens Nutrition Program for bus systems were ineligible under Section 570.201(5), and requests from Damien Switchboard, from the NAACP for a job bank, and from the Senior Citizens for an Information and Referral Center were ineligible under Section 570.201(3). He pointed out the latter two were being provided on a limited basis at the Community Service Center and the expansion of this facility is included in the proposed three-year program. He noted that a preliminary ruling was made under Section 570.201(6) of the Federal Register that the request from Guadalupe Health Clinic was ineligible, but in subsequent discussion with HUD, it was determined to be eligible under Section 570.200(8), although he felt they had other sources in sufficient degree to adequately operate without HCDA funds.

He outlined the proposed three-year plan for second year funding, giving the proposed allocation for each activity, and made particular reference to an additional thousand dollars being added to the amount allocated for code enforcement as HUD increased the initial allocation by this figure, but receipt of such notification was subsequent to the Citizens Advisory Committee meeting.

Mr. James Valentine, Director of Guadalupe Health Clinic, was present on behalf of their request for funding and requested that they at least be considered in the recommendations to the City Council. He noted that Section 570.201(6) of the Federal Register excludes hospitals, medical facilities, etc., from funding, but does provide for a neighborhood facility providing health services. He stated they were faced with the potential loss of 21% of their funding from the Department of Health, Education and Welfare and this represents a loss of \$110,000, thereby forcing the cutback of personnel and the range of services provided. He further stated they solicited funds from the County as well as alternate sources and received all negative answers, and made mention of the fact that North San Mateo County does not receive allocations in the same





proportion as does the southern part of the County. Commissioner O'Donnell expressed the opinion on that situation that pressure should be brought to bear with the County Board of Supervisors and possibly the City Council could be of help in this regard.

In reply to Commissioner Brown's inquiry regarding the percentage of persons in the area being served, Mr. Valentine stated that primarily 92% are residents of North San Mateo County and 75% are residents of Daly City. Commissioner Brown noted it was not possible to cut the proposals submitted to allocate the requested amount.

Mr. Valentine felt more emphasis should be placed on the medical needs of the indigent of the City rather than providing funds for community development and housing rehabilitation, and mentioned the fact should be kept in mind that they were excluded when their request was first brought to the Citizens Advisory Committee; and, since the new guidelines indicated they were eligible, their request should be reconsidered in that light.

Mr. Fleming stated that the items that were excluded as being ineligible are but a small percent of the total 3.5 million dollars of applications that are eligible, and Staff has attempted to present a program that maximizes the benefits of the limited resources available under the Housing and Community Development Act; that there is no disagreement that Guadalupe Health Clinic provides valuable services to the community; but projects and proposals were eliminated which were most easily fundable from other sources.

Mrs. Jody Pitassy, Mr. Ernest Pezzola and Mrs. Esther Talavera appeared in support of the Clinic.

Commissioner Brown suggested that the Guadalupe Health Clinic Staff appear before the City Council at its second public hearing on this matter as the Council will make the final decision on the proposals submitted in the application to HUD.

Commissioner O'Donnell moved the Planning Commission approve the HCDA second year funding proposals as submitted by Staff and adopted by the Citizens Advisory Committee on the General Plan and Community Goals, including the additional \$1,000 allocated by HUD, and submit the recommendation of the Commission to the City Council. Commissioner Franzoia seconded the motion. Motion passed by following roll call vote:

AYES: O'Donnell, Brown, Franzoia, Tardelli  
NOES: None  
ABSENT: Molinari

Mr. Fleming noted the date for the next regularly scheduled meeting was changed from March 9th to Wednesday, March 10, 1976, due to the City Council installation on March 9, 1976.





ADJOURNMENT:

Commissioner Brown moved and Commission O'Donnell seconded to adjourn the meeting. Motion passed unanimously to adjourn the meeting at 10:35 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Don Fleming", written in a cursive style.

Don Fleming  
Secretary to the Planning Commission





*Oliver  
Zessler*

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January 20, 1975

Honorable City Council  
City Hall  
City of Daly City  
Daly City, California 94015

Gentlemen:

Attached are the minutes of the Citizens Advisory Committee on Community Development Act of 1974's meeting held on January 16, 1975. The purpose was to evaluate the priorities and levels of funding for the three-year Community Development program.

As you can see from the minutes, a thorough evaluation was given to all projects and a final budget was decided by a unanimous vote of the members.

On behalf of the Committee, I would like to thank you for allowing us the opportunity to assist you.

Sincerely,



Mike Vega  
Chairman





MINUTES OF MEETING OF SPECIAL ADVISORY COMMITTEE ON  
COMMUNITY DEVELOPMENT PROGRAM

January 16, 1975

Mr. David R. Rowe, City Manager, convened the meeting by reading a communication addressed to him from the City Clerk which stated the City Council by motion at a Special meeting on January 13, 1975 created a Special Advisory Committee on the Community Development Program. It directed the Committee to complete its report on priorities and funding in time to have it delivered to the City Council on Friday, January 24, 1975. It further directed the City Manager to convene the Committee at the earliest possible date.

ROLL CALL: Present: Mrs. Virgel Davis  
Mr. Frank Spadarella  
Mrs. Rhina Gonzales  
Mrs. DeLois Black  
Mr. Julius Castelan  
Mr. Conrad Pavellas  
Mr. Mike Vega  
Mr. James Keys  
Mrs. Madge Bradstreet  
Mr. Sam Eaglestaff  
Mrs. Helen Moses  
Mr. George Smith  
Mr. Lowell Durham (not present for roll call)  
Mr. David Rowe

Absent: Mr. Angelo Cabe

Mr. Rowe suggested the Committee decide on three procedural questions; namely, the election of a Chairman (be it he or a Committee member), the election of a secretary, and the determination to limit discussion to the Committee only or to allow participation from the public generally.

Mr. Castelan moved and Mr. Pavellas seconded to have the Committee elect its own Chairman. The vote was taken by a show of hands - the result being, nine in favor and two in opposition.

It was moved, seconded and passed to elect a Chairman before conducting any further business. The vote was ten in favor of the motion with none in opposition.

Mr. Mike Vega and Mr. Julius Castelan were nominated to serve as Chairman. It was moved, seconded and passed that nominations be closed. Mr. Castelan requested his name be withdrawn. Mr. Rowe asked for a motion that Mr. Vega be elected by unanimous vote. It was moved, seconded and passed that Mr. Mike Vega be elected to serve as Chairman.

Mr. Castelan moved to elect a Vice Chairman. The vote was nine in favor and four in opposition. Those nominated were Mr. Castelan, Mrs. Black and Mr. Smith. Mr. Smith declined the nomination. It was moved, seconded and passed that nominations be closed.



Mr. Lowell Durham entered the meeting at this time.

A ballot vote was taken and, after tallying the results, the Chairman announced that Mr. Julius Castelan was elected to serve as Vice Chairman.

The Chairman called for a motion to elect a secretary. It was moved, seconded and passed that the Secretary of the Department of Community Development serve in that capacity.

The Chairman called for a motion to designate times at which the public could speak. It was moved, seconded and passed that the public could speak at times designated by the Committee.

The Chairman asked for Committee discussion on the three-year Community Development Plan, which plan consists of nine items. It was moved, seconded and passed that discussion be limited to one item at a time.

Item 1 - Use studies, site selection, acquisition, plans, and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7 and 13.

Budget:

<u>Year</u>			
1st	2nd	3rd	Total
45,000	200,000	400,000	645,000

Mr. Pavellas stated that while he and his group believed this project to be good and necessary, it should not be funded by the Block Grant but rather by Federal Revenue Sharing and unencumbered funds in the City budget. He felt this project should not have first priority, it should be treated separately in another program, and requested the Committee to eliminate this item from the proposed budget.

Mr. Keys stated he felt the construction of a multi-purpose community facility would be much more successful under this Federal Grant than under Federal Revenue Sharing as there are more demands made upon the latter. He felt such a facility would serve a vital need in the City as it could house a child-care center, provide the necessary accommodations for carrying on the nutrition program, and thereby alleviate the presently overcrowded situation at the Lincoln Park Clubhouse.

Mr. Spadarella stated he wished to point out that this was a community development project and consequently the cultural needs of the community should be considered. He noted that Daly City, the second largest city in San Mateo County, has no multi-purpose center and the John Daly Library was totally inadequate. He called upon the Committee not to look negatively upon any of the proposed projects because each was a necessary one but rather to discuss and to come to a conclusion on the amount budgeted for each.

Mr. Rowe stated he wished to clarify comments made by Mr. Pavellas. He pointed out it was the intent of Congress under Federal Revenue Sharing to provide funds for the normal and usual activities and obligations of city governments, and not necessarily for new or unusual obligations. He noted there were two parts to the





Minutes of Meeting of Special Advisory Committee

January 16, 1975

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Housing and Community Development Act of 1974 - Title I, Community Development, and Title II, Housing Assistance. He further noted it is not known at the present time the amount that will be coming to the City through Title II, but the eligible activities include rental subsidy, housing rehabilitation and new construction assistance. In regard to unappropriated reserves, he stated that because of possible claims upon the City as a result of flooding and landslides, pending lawsuits for Colma Creek flooding and a commitment for advances to the Redevelopment Agency until such time as it can borrow or sell bonds, possible expenditures far exceed the reserve. With reference to future Revenue Sharing and future capital budgets, he stated that demands on both would not leave the City in a position to fund a multi-purpose center and a library, although it may be possible to replace the library as a library only.

It was moved by Mr. Castelan and seconded by Mr. Eaglestaff to accept the \$45,000 for the first year only. Mr. Spadarella and Mr. Smith suggested discussing the remaining items as other needs may necessitate the shifting of figures in order to come up with a total three-year package. Mr. Pavellas and Mr. Keys expressed similar views. Mr. Castelan withdrew his motion.

Mr. Adams asked how much of this money was to be used for the library and how much for the use of the community. He stated the maximum priority was to be given to benefit low and moderate income people.

Mr. Pavellas reiterated his earlier comments regarding the need for such a facility and the fact that it should not be funded out of the Block Grant. He requested Mr. Rowe bring to the next meeting plans which would convince the Committee what it was buying.

Mr. Rowe responded by stating that in calculations 50% of floor space was assigned to the library and 50% to other uses. He further responded by stating that the City at this time was not attempting to address the implementation in terms of specifics of any of these categories; that this was a concept plan; and that these plans had not been previously developed because funding was not available. He noted there will be public hearings on all of the items; that after the Council adopts the conceptual plan, the Planning Commission will go through Environmental Impact hearings; and that it is anticipated there will be amendments all through the three-year period.

Mrs. Bradstreet questioned the amount appropriated by the Elementary School District for parks and recreation. Mr. Rowe responded by stating that the School District terminated the funding of \$40,000 plus last year and he was not presently aware of what they were doing with that money. He noted the City had to pick up the money they previously funded.

At this time, there was discussion among Committee members as to the appropriate time for public participation. It was moved, seconded and passed that public participation be allowed after Committee discussion of each item.

Mr. Richard Silver, representative of the Daly City Library Board of Trustees, indicated he was asked to appear in support of the library and cultural center complex.





Mr. Spadarella stated that as spokesman for the group that proposed the multi-purpose center, he would like to read into the record the various uses as presented to the Council.

\*FUNCTIONAL RELATIONSHIPS OF PROPOSED LIBRARY/MULTI-USE FACILITY

\*Library to be a multi-purpose facility - importance of use to be directly linked to surrounding community/neighborhood library to serve three main functions:

- serves educational function
- serves recreational needs (not physical form, not to compete with uses offered in War Memorial Bldg.)
- serves a social function - social functions overlap both recreational and educational - social uses to bring about an identity with community/neighborhood and add purpose to the multi-use facet of the structure

\*EDUCATIONAL - to include (infrastructure)

- books, pictures, slide lectures, sculpture
- children's room (welcome atmosphere)
- facility for tutorial work

\*RECREATIONAL FUNCTIONS - social functions to overlap

- passive forms of recreation
- arts and crafts room, display area, activity supervision use of craft area to extend to adult usage as well as children
- game room (chess, checkers etc.) - utilization of senior citizens for supervision of game room activities - learning process for young and old
- meeting rooms - conference areas (intimate in character) - present an alternative to the street corner (constructive activities) - meeting areas to be utilized by broadest spectrum of community

\*INTERNAL CHARACTERISTICS OF STRUCRE

- use of design to identify various activity areas - supergraphics, logos, designed-in internal environment
- unity of purpose, but designation as to space and function

\*EXTERNAL CHARACTERISTICS OF STRUCTURE (DESIGN)

- design of building and facade to depend on characteristics of siting and funds available - exterior to reflect uses and activities on interior structure to complement area
- central location to allow for largest area of service.

It was moved, seconded and passed unanimously to take up Item 2.



Item 2 - Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7 and 13.

Budget:

<u>Year</u>			
1st	2nd	3rd	Total
50,000	100,000	100,000	250,000

Mr. Castelan noted this was one of the most important items as it would eliminate blight and provide employment. He stated that the 1974 Act mentioned the grant should implement housing and rehabilitation. He suggested that \$40,000 be used for a study and try to get more money from items yet to be studied.

Mr. Pavellas stated that housing is the particular purpose of the Block Grant. He noted that deterioration is getting worse in the Census Tracts mentioned and urged that it be remedied now as the money is available. He requested \$800,000 to start the rehabilitation program.

Mr. Keys stated the County has \$8,000,000 to put into housing and asked why the City could not get some of this money. He questioned using Title I money for development when Title II, which is coming, is designated for housing. He suggested starting with the \$40,000 and CETA manpower to survey and explore all possibilities and re-evaluate the picture.

Mr. Spadarella asked Mr. Rowe how it was arrived at to allocate \$250,000 for this purpose. Mr. Rowe responded that it was the intent in the first year to develop a program. He noted alternate sources of funding; namely, Title II, Section 8, funding, Redevelopment Agency sources for funding for rehabilitation, and tax increment financing. In response to Mr. Spadarella's request for more detail in arriving at this figure, Mr. Rowe noted the plan did not include grant funds for rehabilitation but funds necessary to guarantee low interest loans, and taken together with the Title II funds would attempt to develop selected rehabilitation areas to undertake low interest guarantees and supplement program. He stated at this time it is not known what the Title II grant will be, and when this is known, it might be necessary to adjust figures.

Mr. Smith suggested combining the budgeted amounts for Items 1 and 2 for the second and third years and dividing them equally. He felt this would provide additional funds for housing in the event Title II would not be forthcoming.

In response to Mr. Silver's question regarding a Title II figure, Mr. Rowe stated it could be possible to have knowledge of that within the next three weeks.

Mr. Adams, representing the ODCPA, gave a legal interpretation of the 1974 Act and detailed what could and could not be done under Title I and Title II. He indicated he made an extensive study and consequently felt that \$350,000 for the second and third years each would be a more workable figure.

It was moved, seconded and passed to move on to Item 3.





Item 3 - Code enforcement - all Census Tracts

Budget:	Year			Total
	1st	2nd	3rd	
CETA or	23,000	24,000	25,500	72,500

Mr. Rowe stated this would entail the hiring of an additional Building Inspector and clerical help which combined with existing staff would be used primarily to support a housing rehabilitation program.

Mr. Castelan asked if the code enforcement would be according to the present code. Mr. Rowe responded code enforcement would not be proposed without a rehabilitation program.

Mr. Keys asked about using CETA manpower and thereby applying the \$23,000 to some other use. Mr. Rowe replied the present existing building inspection staff could not provide the support necessary to develop a housing rehabilitation program; that it would take one person full time to develop the information necessary for a rehabilitation program; and that once under way, it would take most of his time conducting and qualifying structures for rehabilitation assistance and inspecting the work done. He stated it would be possible to employ a person under the CETA program supplemented by City funds but that would be a disadvantage because the CETA program is specifically limited in time and we would not have continuity of a Building Inspector. He further stated that CETA requirements were not necessarily the same as the City's. Mr. Pavellas suggested this be made a permanent City position and taken off this program. Mr. Rowe indicated the City Council has priorities and has not had funds for code enforcement, and further there has been a consciousness of not having heavy code enforcement in areas where the people do not have loan possibilities. In reply to comments by Mr. Castelan regarding the adequacy of the present Building Division staff, Mr. Rowe stated the present staff could not provide adequate support for code enforcement and one of the primary requirements of a rehabilitation program is adequate inspection capability.

It was moved, seconded and passed to move on to Item 4.

Item 4 - Assist in funding day-care centers to serve Census Tracts 4, 7 and 13

Budget:	Year			Total
	1st	2nd	3rd	
CETA +	12,000	10,000	--	22,000

Mrs. Black stated that the budgeted amount of \$22,000 would do absolutely nothing. She noted the State of California requires a three-month operation expense reserved in a bank and for her budget she has to have \$19,500 reserved in a bank. She pointed out that with a \$22,000 budget over a three-year period, this leaves no funds for equipment or food. She further pointed out that one has to be in operation before applying for CETA money.





Mr. Rowe stated the City has already allocated two positions for the development of a day-care program under CETA Title II funding, and that is approximately \$18,000 in salary money which was appropriated last Monday night; that the \$22,000 proposed was primarily for equipment and other expenses. He noted there is additional CETA money under Title II and Title VI for which application can be made and it is not necessary to be operating before applying for CETA funds. He stated this figure was not intended to be a complete program as there are Federal and State agencies which provide funding for day-care centers.

Mrs. Black gave the figure of \$85,000 as being necessary to operate for one year.

Mrs. Gonzalez asked if the City would provide for the salaries of CETA personnel. Mr. Rowe replied they would be receiving City payroll checks if appropriated from CETA funds by the Council.

The Chairman noted there were actually two child-care proposals.

Mrs. Black noted the State stipulates one must have qualified personnel and wondered if this was always possible under the CETA program. Mr. Rowe felt there would be no problem in filling such positions under the CETA II program.

Mr. Keys asked if the allocation would be for the two proposals or for each separately. Mr. Rowe replied that the Council would be making a determination in terms of priority and funding level. Mr. Keys felt that as a result of State requirement of a bank reserve, a figure of \$43,000 + CETA would be more workable. Mr. Rowe pointed out in respect to the \$19,000 required to be deposited, there is already \$18,000 deposited with the City for salaries so the allocated amount would meet the minimum cash requirement.

In reply to Mr. Spararella's inquiry, Mrs. Gonzalez stated there was no nonprofit child-care center in the City and only one under private enterprise. Mr. Spadarella suggested they agree to fund \$50,000 over the next three years, whether it be for one or two centers and let the City Council decide how to appropriate this money over the next three years and decide where the center will be and who will operate it.

It was moved, seconded and passed to move to Item 5.

#### Item 5 - Expansion of Lincoln Park Clubhouse

Budget:	Year			Total
	1st	2nd	3rd	
	31,00	--	--	31,000

Mrs. Davis stated that the facilities at Lincoln Park Clubhouse were not adequate for Senior Citizen programs; it was much too small. She felt strongly that such a facility was necessary for the older people of the City. She further noted it was used for the nutrition program; that it should be available to the children in the summer time; but it was not adequate for all these needs.

Mr. Castelan stated the \$31,000 was not needed at this time because the project was already funded. Mr. Rowe replied that the City had approximately \$70,000 budgeted for the expansion but construction costs came to \$101,000 and the City



did let the contract without having the funds budgeted, but there was reference to the availability of community development revenue sharing when that was let.

In reply to Mr. Spadarella's inquiry regarding payment out of Federal Revenue Sharing, Mr. Rowe replied those funds would not be available in time to make payment; and if not included in this proposal, it would have to be found elsewhere in the budget. He concluded his remarks by stating the project is under contract and will be completed regardless of the method of funding.

It was moved, seconded and passed to move on to Item 6.

Item 6 - Expansion of community service center - facility, rent, equipment and personnel.

Budget:

Year			
1st	2nd	3rd	Total
50,000	40,000	40,000	130,000

Mrs. Moses stated they needed a larger building in which to carry on their services, such as caring for the handicapped, for which they needed quarters for a doctor, nurse, beds, etc. Mr. Rowe stated that when the City first opened the Community Service Center, it was intended that one-half the space would be utilized by City personnel and the other half to be used by other groups within the community for meetings, office space and equipment. He noted the facility is now inadequate in size and the funding requested is primarily to provide space needs, equipment and personnel. In response to Mr. Pavellas questioning on overlapping with a multi-use building, Mr. Rowe stated that the Community Service Center would house such groups as the ODCPA, County officials, Health and Welfare personnel taking food stamp qualifications and Catholic Service organizations. He stated the multi-purpose center would be more for culture, recreation and larger meeting rooms. He further stated this is a continuing program to which the City has not made a total commitment; that the Community Service Center has been funded out of Federal Revenue Sharing; and that the supplement to the basic Revenue Sharing fund has come from the Community Development funds which have an uncertain permanency.

Mr. Castelan moved to adjourn the meeting and reconvene the following evening. After Committee discussion of the motion, the Chairman called for a vote. The majority voted to continue the meeting.

The Chairman called a 10-minute recess.

The meeting was reconvened after the recess.

Mr. Spadarella moved the Committee go on record as approving the Staff report with the following amendments:





	<u>Year</u>			
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>Total</u>
Item 1.	45,000	150,000	350,000	545,000
Item 2.	100,000	150,000	100,000	350,000
Item 3.	Accept proposal as presented by Staff with one exception			
	20,000			69,500
Item 4.	25,000	10,000	15,000	50,000
	To be determined by the Council as to one or two day-care center.			
Item 5.	Eliminate the \$31,000 appropriated for expansion of Lincoln Park Clubhouse but in no way propose that this not be continued; it has already been started and the funds have been committed by the Council. We urge the Council continue the project and find the funds elsewhere.			
Item 6.	As is			
Item 7.	As is			
Item 8.	As is			
Item 9.	As is			
Propose add Item 10 - The addition to the request from Mrs. Moses for the Foster Parents Group of Daly City which is a San Mateo County project which has no funding from Daly City. Would like to propose that Item 10 be included to the sum of \$6,000 for the first year.				

Mr. Castelan seconded the motion.

Mr. Pavellas felt there should be discussion on the item concerning the continuation of Lincoln Park land acquisition. He read letters from three residents objecting to the taking of homes for park use. Mr. Rowe explained that the City submitted a Master Plan for expansion of Lincoln Park and that the Plan went through public hearings before the Planning Commission, the City Council and the Parks and Recreation Department to create a large park comprising two City blocks, and this was pursuant to the General Plan recommended by a Citizens Committee and adopted in 1968. He noted the City applied to HUD for a three-year program to be funded by Federal money out of the Open Space Land Grant Program. The City received funding for the first year only and subsequently the Open Space Land Grant program was consolidated into the provision of the Community Development Act.





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January 16, 1975

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Mr. Adams felt this program should be stricken from the budget as there were far more pressing needs.

Mr. Rowe noted the proposal was actually to purchase four properties. He further noted that with respect to the people moved out, the City paid the purchase price and in addition paid housing supplements, moving costs and interest differential payments.

Mr. Pavellas moved to strike the allocation for acquisition of Lincoln Park. Mr. Smith seconded the motion.

Mr. Keys stated he would have to abstain from voting.

Mr. Rowe stated this program is a successor to the program under which the acquisitions were commenced.

Mr. Smith moved to change the wording of Item 7 to read "Funds for Parks".

Mr. Spadarella seconded the motion. Motion passed.

Mr. Castelan asked for a vote on the original motion as moved by Mr. Spadarella. Mr. Spadarella repeated his motion by reading the figures budgeted for each item. He stated that the budget as presented by Staff had a total figure of \$211,000 for the first year, whereas the amended budget showed a total figure of \$246,000. He noted Mr. Castelan made amendments to the first year's figures, and they are as follows:

<u>Project</u>	<u>Year</u>			
	1st	2nd	3rd	Total
1. Use studies, site selection, acquisition, plans, and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7 and 13	40,000 <i>30,000</i>	150,000	350,000	545,000
2. Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7 and 13	89,000	150,000	111,000	350,000
3. Code enforcement - all Census Tracts	CETA + 10,000	24,000	35,500	69,500
<i>10,000</i> 4. Assist in funding day-care centers to serve Census Tracts 4, 7 and 13	CETA + 16,000 <i>private</i>	10,000	24,000	50,000
5. Expansion of Lincoln Park Club-house	--	--	--	--



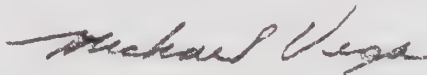
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6. Expansion of community service center - facility, rent, equipment and personnel	50,000	40,000	40,000	130,000
7. Funds for Parks	--	70,000	70,000	140,000
8. Uncommitted allocation for projects in Census Tract 2 (Bayshore Area)	--	35,000	35,000	70,000
9. Uncommitted allocation for 2nd and 3rd year projects which may be needed as a result of all of the above	--	23,000	74,500	97,500
10. Foster Parents (added)	6,000			
	211,000	502,000	745,000	1,458,000

The motion was passed unanimously.

It was moved, seconded and passed unanimously to adjourn the meeting.

Respectfully submitted,



Mike Vega  
Chairman





57-01994  
④  
GENERAL PLAN CITIZENS ADVISORY COMMITTEE MEETING

January 29, 1976

OPENING OF MEETING:

The meeting was called to order by Chairman Jane Powell at 7:35 p.m.

ROLL CALL: Present: John Abdalla Joseph Keh  
Dorothy Adams Louis Larcombe  
Alfred Banfield Josephine Leggett  
Martin Bohlen Jane Powell  
Leonard Brown Ernest Rosenthal  
Sylvester Buria Lawrence Shaw  
Angelo Cabe Eldred Showers  
Ted Cunningham Eddie Smith  
Virgel Davis Martin Schurr, Jr.  
Lowell Durham Alvin Schwarzbach  
Marcelino Enriquez Albert Teglia  
Howard Garden Richard Walsh  
Clara Haynes (not present for roll call)  
Albert Kane (not present for roll call)  
James Keys (not present for roll call)  
Michael Silva (not present for roll call)  
Susan Sweeney (not present for roll call)

Absent: Eve Aiello (excused) Ernest Molinari  
Benjamin Au-Yeung Julia Monares  
David Cafferata Linda Morales  
Julius Castelan (excused) Edward O'Donnell (excused)  
Sam Eaglestaff Ed Pitcock (excused)  
Albert Figueroa Richard Silver  
LeRoy Franzoia (excused) Emidio Simon  
Geraldine Hatchett Helen Staub (excused)  
James Howe (excused) Jesus Vasques

Mr. Don Fleming, Director of the Department of Community Development, administered the Oath of Office to the new Committee appointees and requested they sign same.

MINUTES: It was moved, seconded and passed that the minutes of May 8, 1975 be approved as submitted.

Chairman Powell called for Committee consideration and discussion of the next agenda item - Consideration and Recommendations on Community Development Priorities and Programs (Second Year Funding).

In compliance with the Chairman's request, Mr. Fleming outlined the provisions of the Housing and Community Development Act of 1974 which allocated certain funds to qualifying cities throughout the country in order to aid them in alleviating community development and housing assistance problems.

Mr. Albert Kane entered the meeting at this time.



Mr. Fleming noted that the City is in the process of preparing its second year application under the HDCA 1974 Act and this necessitates the development of a three-year proposed program for expenditure of funds. He stated that the initial allocation for second-year funding was \$502,000 but this figure has been reduced to \$459,000; consequently, allocations as proposed in 1975 had to be adjusted and a new plan developed. He noted that on January 19, 1976 the City Council held a public hearing to receive requests submitted by various groups in the community for funding; that these requests totalled \$3,594,770 and two additional requests added \$12,000 to that figure; and therefore a plan had to be developed within the amount allocated. He further noted that the Council directed this plan be submitted to the General Plan Citizens Advisory Committee for its consideration and recommendation and, in turn, its recommendation brought back to the Council.

Mr. Fleming noted that some of the requests submitted are not shown on the three-year proposal as they are not eligible under the HCD Act and he submitted to each Committee member the Federal Register dated January 19, 1976 which denoted eligible and ineligible activities. He listed the submitted proposals which are not eligible under this Act; namely, the Police Department's request for bulletproofing; a request from the Crocker Neighborhood Association for a transportation system; a request from the Senior Citizens Nutrition Group for a Dial-a-Ride program; and a request from the Guadalupe Health Clinic to enable it to continue its same level of operation.

He further noted other requests for funding which are ineligible as an individual activity but which could possibly be funded under a comprehensive community program. In this category, he cited requests from the Damien Switchboard, the Senior Citizens for an Information and Referral Center, and the NAACP for a job bank.

Mr. Michael Silva and Mr. James Keys entered the meeting at this time.

Mr. Fleming stated the latter two requests are presently being provided on a limited basis by the Community Service Center; that it was the intent in the first-year funding to locate and renovate a suitable site which could house increased social services, but that to date it has not been possible to do so.

In response to Chairman Powell's asking if it would be possible for the Committee to recommend to the City Council that the requests from Damien Switchboard, NAACP and Senior Citizens be included in an expanded budget for the Community Service Center, Mr. Fleming indicated this recommendation was permissible.

Mrs. Clara Haynes entered the meeting at this time.

Mr. Fleming noted that the plan as developed by Staff allocated the majority of funds to Census Tracts 4, 6, 7 and 13 as these tracts represent the low and moderate income areas of the community; with Census Tract 2 being next in line for allocation. He outlined the proposals as submitted to and approved by HUD for the first-year funding and listed the proposals and the amount being requested for each in the second-year funding period.

Mrs. Susan Sweeney entered the meeting at this time.





This proposed three-year plan for second-year funding is as follows:

	<u>Year</u>			
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>Total</u>
1. Use studies, site selection, acquisition, plans, and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7 and 13	135,000	335,500	354,000	824,500
2. Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7 and 13	125,000	111,000	116,000	352,000
3. Code enforcement - all Census Tracts	24,000	24,000	35,500	83,500
4. Assist in funding day-care centers to serve Census Tracts 4, 7 and 13	25,000	25,000	25,000	75,000
5. Expansion of community service center - facility, rent, equipment and personnel	30,000	40,000	40,000	110,000
6. Hillside Park	70,000	70,000	60,000	200,000
7. Community facility or parks in Census Tract 2 (Bayshore Area)	50,000	35,000	35,000	120,000
8. Uncommitted allocation for 2nd and 3rd year projects which may be needed as a result of all of the above	--	30,000	34,700	64,700
	459,000	670,500	700,200	1,829,700

Chairman Powell stated for purposes of clarification that at the City Council meeting the fact was made known that first year funds were held in reserve for the specified activity and that activity only. Mr. Fleming explained that HUD does not disburse the allocated funds to the City, but when expenditures are made, the City submits a voucher to HUD and receives payment of that voucher. He noted that HUD allows only the allocation for housing rehabilitation to be drawn as a block; and that as soon as the Council adopts a rehabilitation program, the \$89,000 allocated last year can be drawn and deposited in a bank as a collateral account drawing interest, thereby enabling the bank to make loans to accomplish this activity.



Mr. Showers asked if there were any guidelines drawn up to implement the proposal for a community facility or parks in Census Tract 2 (Bayshore Area). In response, Mr. Fleming stated that the City Council is very close to signing an agreement with the County Housing Authority for development of a park in the redeveloped Midway Village and is in the process of negotiating with the Cow Palace for a large park and possibly a library site in that vicinity. He noted these were needed projects in the Bayshore area and could very likely come to fruition this year.

Mr. Enriquez asked why expanded social services could not be housed at the War Memorial Building. Mr. Fleming responded that this facility is not available a great part of the time as their schedule is extremely tight and they are presently looking into the possibility of moving the administration offices in order to make more space available for recreational activities.

Mr. Schurr asked if the proposal for building a site in the Mission Street area was brought to the attention of the Redevelopment Agency. Mr. Fleming stated the Redevelopment Agency was well aware of what was proposed last year and that the location of a multi-purpose facility in that area would be a focal point along Mission Street. He further stated that the Redevelopment Agency is drawing up a specific plan for redevelopment of the commercial areas along Mission Street and Junipero Serra Boulevard and that will ultimately be tied in with the General Plan revision in which this Committee will be involved.

Mr. Abdalla noted that Items 1, 4 and 5 (construction of a multi-purpose facility, day-care centers and the Community Service Center) could be converged. Mr. Fleming clarified by stating that the day-care center is a special purpose center and the City Council at its last meeting authorized the leasing of a modular classroom to be constructed at the George Washington School to serve Census Tract 4. He further stated it is his understanding that ten or more day-care centers could be located throughout the City but it is the prime concern under this program to aid low and moderate income persons; consequently, emphasis has been placed on the above-mentioned Census Tracts. He indicated that it may well be possible to have a child attendant service in the multi-purpose facility, thus enabling more adult involvement in the community. Regarding the combining of Items 1 and 5, Mr. Fleming noted that these items have been separated at this time because it has not been possible to enlarge the Community Service Center and most likely it will be four years before a multi-purpose center will be in operation.

In response to Mr. Abdalla's question regarding a centralized day-care center, Mr. Fleming noted it was his understanding, aside from a transportation problem, that it was not advantageous to operate a child-care center for more than 50 children. Committee members made further inquiry regarding the proposed allocation of \$25,000 for the child-care center. Mr. Fleming replied the request was for \$40,770 but that aside from HCDA funds, other sources available include General Revenue Sharing and County Housing and Development Act funds. He noted that presently the personnel are funded under the Comprehensive Employment Training Act but this program will expire in June of this year. In conclusion, he stated the proposed allocation would be used to get the center started by enabling them to lease and construct the site and to purchase equipment; that it would not cover salaries; and that the parents will be required to pay a fee on a sliding scale based on their financial ability.





In response to a question to define low and moderate income, Mr. Fleming stated that low income is defined to be 50% or lower than the mean income of the standard metropolitan statistical area in which one resides; that the average income in this area is approximately \$14,000 a year, although Daly City is slightly higher; that low income would be defined as being \$7,000 or lower per annum; and moderate income would be from that point up to 95% of the mean income which is approaching the \$14,000.

Mr. Enriquez asked for discussion of each request submitted, to which Mr. Fleming responded by reiterating which requests were eligible or ineligible under the HCD Act. In discussing the request from the Department of Public Works, he pointed out two items were questionable for eligibility and noted other items which would be considered as normal departmental budgeted expenditures, as well as other requests which are covered under the proposals as submitted.

In discussion of the code enforcement proposal, Mr. Fleming stated that the rehabilitation program as proposed to the City Council for the first-year funding was primarily a voluntary rehabilitation program whereby a property owner makes known to the City his desire to improve his property. The City then makes an inspection of the property which is referred to as a Report of Condition, which document is not legally binding. The property owner is not compelled to meet the 1974 Codes but to bring up the property to what is known in the Housing Code as decent, safe and sanitary. If he decides to rehabilitate his property, a Report of Deficiency is made which is a legal document that can be taken into court for enforcement. This report is not issued until he is apprised of the amount of assistance forthcoming from the City, thus enabling him to avoid getting into comprehensive code enforcement. Under the voluntary rehabilitation program, there are a number of policy-making decisions before the City Council, such as, using the money allocated to offset interest, provide deferred payment plans, secure interest only loans, and in the case of Senior Citizens on a fixed income to require no payment.

Mr. Schwarzbach asked if the applicants who made requests which were deemed to be ineligible were notified of this fact before making request, since prior knowledge would have enabled them to seek shelter under another proposal. Mr. Fleming replied they were not notified as the final screening was completed today. He noted they have the opportunity to appear again before the City Council; they can challenge his judgment as to their ineligibility; the Committee can recommend adjustments to his proposals; but that the second-year application for HCDA funds was merely a continuation of allocations made in the first year.

Mrs. Adams felt it might be helpful to the Committee to have a breakdown of the amounts proposed for each activity. Mr. Fleming indicated that would be difficult to determine in the majority of the proposals as they are not as yet implemented. As regards Hillside Park, he noted that the City Council at its last meeting approved the boundaries of the park; that \$150,000 is committed from the State of California; \$50,000 is committed from City funds; and the park acquisition will cost between \$300,000 and \$500,000. He further noted that the State requires an independent appraisal be made of the property which consists of approximately 11 acres; that fair market value be paid as determined by the appraiser; and the appraisal must be approved by the State. He stated that \$50,000 is but a start for community facilities in the Bayshore area which will include a 4-acre park in the Midway Village development and possibly a 14-acre site near the Cow Palace, but it will take several hundred thousand dollars to accomplish this.



Considerable discussion ensued regarding the shortness of time which the Committee was given to evaluate the proposals, to receive input, and to make a recommendation; consequently, it felt a stipulation should be placed on the procedures for the following year.

Mr. Rosenthal asked Staff's opinion on the eligible requests that are not included in this proposal. Mr. Fleming noted the Project Area Committee requested \$150,000 for the multi-purpose center as was recommended in last year's proposal but, in order to maximize what was possible, this figure was reduced; the rehabilitation program was allotted \$150,000 but this figure was reduced to \$125,000 in order to allow other projects; the request for the day-care center was reduced as well as the request for the Community Service Center. He further noted that last year's proposal for parks did not denote a particular site but this year's proposal specifies Hillside Park, although the Parks and Recreation Department also requested funds for continued acquisition for Lincoln Park. Regarding the Bayshore area, he stated last year's proposal allowed for an uncommitted allocation for projects in this area but this figure has been increased for acquisition of park land and community facilities. He concluded his response by stating the reduction in the amount allocated under the HCD Act for second-year funding necessitated the reduction of certain funds as proposed.

Mr. Rosenthal moved and Mr. Durham seconded to adopt the recommendations of Staff and pass them on to the City Council. Mr. Abdalla moved to amend the motion and request that next year the Committee be given a minimum of 60 days to review the requests and proposals and have a maximum amount of information. Mr. Teglia seconded the motion. The amended motion passed unanimously.

Mr. Fleming indicated the report of this meeting will be before the City Council on February 17, 1976.

It was the consensus of the Committee to recommend that the requests from Damien Switchboard, NAACP and Senior Citizens be included under the umbrella of the Community Service Center.

Chairman Powell requested that each Committee member receive an agenda for the City Council meetings.

The Committee considered the next agenda item - Status of Consultant Selection Report.

Mr. Fleming stated that final consultant selection has been narrowed to two representatives of the City Council, the Chairman of the Planning Commission, the Chairman of the Citizens Advisory Committee and the Director of the Department of Community Development. He noted their recommendation will be submitted to the City Council in about three weeks; that the Council will act on that recommendation and employ a consultant; and it will then adopt a contract with the consultant. In reply to a question regarding the hiring of the same consultant for the final Redevelopment Plan and General Plan revision, Mr. Fleming stated that could create a conflict of interest. He noted that the consultants had to state in their proposals the method by which they will coordinate with the Redevelopment consultant and it also





appears in the Redevelopment consultant's contract that he must coordinate with the General Plan consultant, as the final Redevelopment Plan will become a specific element of the General Plan.

The next item on the agenda was then discussed - Tentative Selection of Subcommittee Assignments.

Mr. Fleming stated that subcommittee assignments cause a problem in that a conflict of interest situation is occurring with the Fair Political Practices Commission and it is establishing specific rules in relation to conflict of interest. He noted that Commission has not been able to define a consultant, and consequently a ruling on conflict of interest cannot be made until it has that definition. He stated he has not as yet received a ruling from the City Attorney on this matter and suggested not making a selection at this time pending receipt of these legal determinations. He indicated he had envisioned establishing subcommittees along the lines of the various elements required in the General Plan, such as, urban design, seismic hazards, flooding, transportation, and esthetics. He stated that attached to the minutes of this meeting will be a list of proposed subcommittees. He asked that Committee members make known to his office the particular subcommittee on which they wish to serve and, if necessary, he will submit each name to the City Attorney and get a specific ruling on each name.

The Committee considered the next agenda item - Setting Date and Time for Next Meeting.

It was determined the next meeting would be on Thursday, April 29, 1976 at 7:30 p.m.

It was moved, seconded and passed to adjourn the meeting.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Don Fleming", written in a cursive style.

Don Fleming, Director  
Department of Community Development



8101993

(5)

## CITY OF DALY CITY INTER-OFFICE MEMORANDUM

TO HONORABLE CITY COUNCIL

DATE January 13, 1975

FROM David R. Rowe, City Manager

SUBJECT Program Recommendations - Housing and Community Development Act of 1974

The primary focus of the Housing and Community Development Act of 1974 Title I is "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

Evaluation of socio-economic census data indicates census tracts 2, 4, 6, 7, and 13 as being the areas in which community development activities should be primarily focussed. The specific definition of low income (50% or less of average income) and moderate income (80% or less of average income) indicate the above census tracts as those where the majority of effort must be centralized. (See attachments 1-4)

The Housing and Community Development Act is broken into two parts, Title I Community Development for which the City Council held the December 16, 1974 hearing and tonights hearing. Daly City has been allocated, under Title I, \$1,458,000 over three years. This equals the following amounts for each year: \$211,000, first year; \$502,000, second year; and \$745,000, third year. Title II (Section 8) Assisted Housing has had interim rules published, but the dollar amount and exact effect of these rules are unknown at this time.

With respect to Title II (Section 8) Staff would recommend, as an interim guideline, that our efforts be directed toward an extension of the rental subsidy and encouragement of the construction of low and moderate income housing units by private organizations, at least for the immediate future, that the City through appropriate agreements work with and through the County Housing Authority to supply these low and moderate income units.

In developing the recommended Community Development Title I program, Staff has evaluated the various proposals by using an evaluation matrix which included such factors as number of persons served, desirability, utility, feasibility, and importance. Each factor used a scale of 0-3. When all factors, were added, a priority was established which was used in developing the proposal. The program decisions, however, must be the result of an exercise of discretionary judgment by the City Council in response to the community input which has been received.

At the hearing, 25 program areas were suggested for consideration. In addition, two programs were submitted after the hearing. (attachment 5)

As a result of community input and Staff evaluation, the attached proposed budget (attachment 6) is recommended as a balanced program of addressing the needs of the community and requirements of the act.



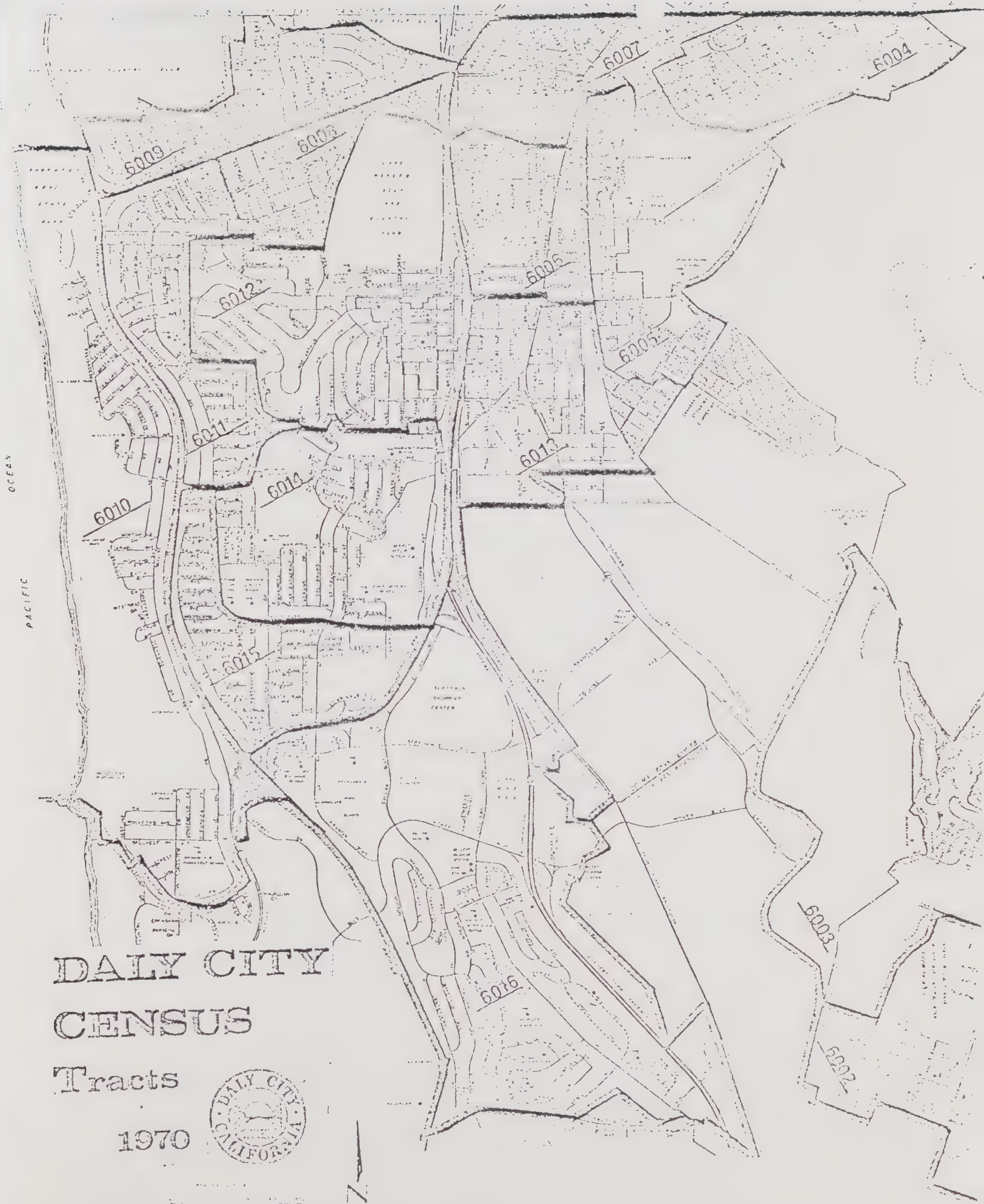
David R. Rowe  
City Manager

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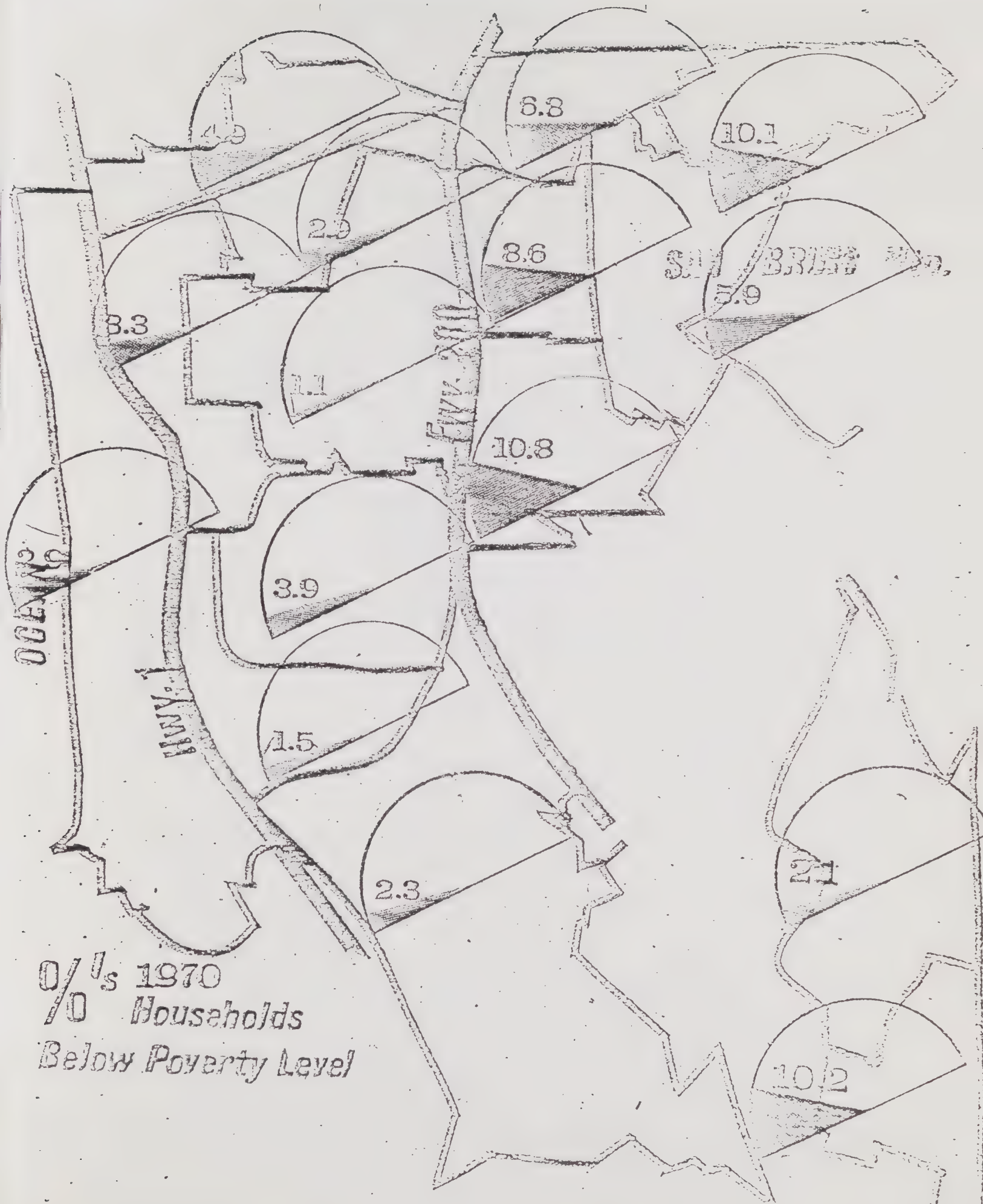
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	Number of Families & Unrelated Individuals	Incomes below \$7,999 or 65.4% of mean city income		<\$9,999 or 81% city average income	
		Number	%Households	Number	Tract%
02	902	473	52	603	67
03	679	75	11	161	13
04	1380	442	32	627	45
05	1308	267	20	488	37
06	990	315	32	440	44
07	1344	463	34	685	51
08	1151	238	25	474	41
09	1378	203	15	368	27
10	1775	238	13	395	22
11	1775	257	14	383	22
12	459	136	23	232	51
13	822	275	33	376	46
14	1217	121	10	204	17
15	1442	146	10	294	20
16	1069	95	09	167	16

(city mean income \$12,229)









SAH / BRING 1997

FWV. 2

FWV. 1

% Paying 35% income for  
Rent

Relative Proportions

Families with Gross Income  
below \$10,000 (1970)



REQUESTS AT DECEMBER 16 COMMUNITY DEVELOPMENT HEARING

1. Mrs. Virgel Davis
  - (a) Expansion of Lincoln Park Clubhouse
  - (b) Furniture for clubhouse
2. Mr. Frank Spadarella
  - (a) Library and Multi-use Facility
  - (b) Acquisition of additional parking lots
  - (c) Street beautification
  - (d) Acquisition of presently vacant property adjacent to War Memorial Building
3. Mrs. Rhina Gonzales
  - Day-care centers
4. Mr. Julius Castelan
  - (a) Senior Citizens Center
  - (b) Employee for Nutrition Project
  - (c) Cultural Center
  - (d) Housing Rehabilitation
5. Mr. Conrad Pavellas
  - Housing Rehabilitation
6. Mr. Mike Vega
  - Youth Assistance Program
7. Mr. James Keys
  - Multi-use Community Center
8. Mr. Angelo Cube
  - Expansion of Community Service Center
9. Mrs. Madge Bradstreet
  - (a) Housing Assistance
  - (b) Additional street lighting
  - (c) Street beautification
10. Mr. Sam Eaglestaff
  - Multi-use Facility and expansion of Community Service Center
11. Mr. Charles Vincent
  - (a) Land acquisition for Lincoln Park
  - (b) Community Center at Gellert Park
  - (c) Cover for bocci ball courts
  - (d) Storage building at Westlake Park
  - (e) Cameo tot lot
  - (f) Recreation facility in Multi-use Center



12. Mr. David Macabee
  - (a) Lincoln Park Clubhouse - supplemental funds
  - (b) Water system replacement
  - (c) Signalization Westlake and Junipero Serra
  - (d) Bus shelter - John Daly and Mission
  - (e) Housing rehabilitation
  - (f) Code enforcement
  - (g) Templeton Avenue improvements
  - (h) Crocker Avenue improvements
  - (i) Alley improvements between Templeton and Alexander
  - (j) "Lane" improvement between Gambetta and Alp
  - (k) Mini transfer station - Corporation Yard
13. Mr. Ray Letsinger for Mr. Sam Chandler  
Library to replace John D. Daly Library
14. Daly City Foster Parents  
General financial support
15. Daly City Mission Merchants  
City-wide Newsletter

11

REQUESTS FOLLOWING DECEMBER 16 HEARING

1. Computer resource terminal for Community Service Center
2. Lowell Durham - Daly City 4-H Club  
Building for 4-H Club





# THREE YEAR COMMUNITY DEVELOPMENT BUDGET

<u>Project</u>	<u>Year</u>			
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>Total</u>
1. Use studies, site selection, acquisition, plans, and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7 and 13	45,000	200,000	400,000	645,000
2. Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7 and 13	50,000	100,000	100,000	250,000
3. Code enforcement - all Census Tracts	CETA or 23,000	24,000	25,500	72,500
4. Assist in funding day-care centers to serve Census Tracts 4, 7 and 13	CETA + 12,000	10,000	--	22,000
5. Expansion of Lincoln Park Clubhouse	31,000	--	--	31,000
6. Expansion of community service center - facility, rent, equipment and personnel	50,000	40,000	40,000	130,000
7. Continuation of Lincoln Park land acquisition program		70,000	70,000	140,000
8. Uncommitted allocation for projects in Census Tract 2 (Bayshore Area)		35,000	35,000	70,000
9. Uncommitted allocation for 2nd and 3rd year projects which may be needed as a result of all of the above		23,000	74,500	97,500
	211,000	502,000	745,000	1,458,000



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## CITY OF DALY CITY INTER-OFFICE MEMORANDUM

TO Honorable City Council

FROM David R. Rowe, City Manager

SUBJECT HCDA Second Year Funding

DATE January 19, 1976

In the development of the first year funding application for Housing and Community Development Act funds, a three-year program was developed as a proposal for the anticipated allocations which would be received by the City of Daly City. The allocations as projected in the initial development of the proposal showed the following expenditures for the second year:

- |  |               |
|--|---------------|
| 1. Use studies, site selection, acquisition, plans and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7, and 13. | \$150,000     |
| 2. Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7, and 13.                                      | 150,000       |
| 3. Code enforcement - all Census Tracts  | 24,000        |
| 4. Assist in funding day-care centers to serve Census Tracts 4, 7 and 13.  | 10,000        |
| 5. Expansion of community service center facility, rent, equipment and personnel   | 40,000        |
| 6. Funds for Parks   | 70,000        |
| 7. Uncommitted allocation for projects in Census Tract 2 (Bayshore Area)   | 35,000        |
| 8. Uncommitted allocation for second and third year projects which may be needed as a result of all the above.   | <u>23,000</u> |
|  | \$502,000     |

Since that time, we have been notified by the Department of Housing and Urban Development that Daly City's second year's allocation will not be \$502,000, but will most likely be \$459,000.

In addition to considering all requests from last year as having been resubmitted, we have received applications from the following:

Department of Public Works  
Police Department





Department of Recreation, Parks & Maintenance  
NAACP  
Redevelopment Project Area Committee  
Our Lady of Guadalupe Health Center  
Original Daly City Protective Association  
Crocker Neighborhood Association

These requests total the amount of \$3,594,770.

After hearing the requests this evening it is suggested that the hearing be closed and the requests for funds be referred to the Citizens Committee for the General Plan and Community Goals, and to staff, for consideration, evaluation and recommendation. It is further suggested that a public hearing be set for February 17th to consider the recommendations as to the allocation of second year funding and any additional comments on the several recommendations to be submitted.

*David R. Rowe*

David R. Rowe  
City Manager

DRR:ad



THREE-YEAR PROGRAM AS PROJECTED IN 1975

<u>Project</u>	<u>Year</u>			
	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>Total</u>
1. Use studies, site selection, acquisition, plans, and initial construction for multi-purpose community facility to include John D. Daly Library to serve Census Tracts 4, 6, 7 and 13	28,000	150,000	355,000	533,000
2. Implement housing rehabilitation, including loan supplement and loan guarantee program to serve selected areas in Census Tracts 4, 6, 7 and 13	89,000	150,000	111,000	350,000
3. Code enforcement - all Census Tracts	8,000	24,000	35,500	67,500
4. Assist in funding day-care centers to serve Census Tracts 4, 7 and 13	26,000	10,000	24,000	60,000
5. Expansion of community service center - facility, rent, equipment and personnel	50,000	40,000	40,000	130,000
6. Funds for Parks	--	70,000	70,000	140,000
7. Uncommitted allocation for projects in Census Tract 2 (Bayshore Area)	--	35,000	35,000	70,000
8. Uncommitted allocation for 2nd and 3rd year projects which may be needed as a result of all of the above	--	23,000	74,500	97,500
9. Foster Parents	6,000	(not approved by HUD)		
	207,000	502,000	745,000	1,448,000



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Daly City **Draft**  
given to R. Wask  
8/25/75 by  
D.C. #1

## HOUSING REHABILITATION WORK PROGRAM

### I. Introduction

The Daly City City Council approved the City's application for funds under Housing and Community Development Act of 1974. A component of the application is housing rehabilitation and code enforcement. The original plan was to establish a program whereby any residential property owner in the City, but especially those in selected census tracts could apply for loans to rehabilitate their homes. There would be preferential treatment given to the older resident, more poor and larger families. Owner occupancy was assumed. There have been a number of Department of Community Development staff discussions about the program. The Original Daly City Protective Association had previously presented the Department with a broad, reasonably unspecific proposal as to what it considered the important ingredients in a housing rehabilitation program. This proposal suggested the use of cash grants, low interest loans and ordinary loans along with using the Federal money to lever private monies for housing rehabilitation. The proposal included a code enforcement program which used "decent, safe and sanitary" as the standard for rehabilitation rather than the present code.

In a recent meeting with a representative of the HUD Area Office, the Daly City application was criticized for having too broad an area for the housing rehabilitation program, for using the term "voluntary code enforcement" which appears to be contradictory and for not establishing a specific neighborhood conservation program which included public works, public improvements, the rehabilitation and other activities the City wanted. In short, the City was criticized for not having a program which was geographically based rather than people based.

The following draft work program attempts to answer Original Daly City Protective Association and HUD concerns while retaining as efficient and streamlined a





program as possible.<sup>1</sup> In researching rehabilitation programs in the literature, it is apparent that the public response to the program has not been overwhelming. Large jurisdictions were having 6-10 applications for rehabilitation loans annually. Daly City has allocated \$89,000 the first year and about \$350,000 over three years of HUD funds to housing rehabilitation. While this can be modified, the City has also selected goals of 50 units the first year, 300 for three years and 600 over six years in order to address current levels of deterioration in the priority census tracts.

Data from a 1974 windshield survey indicate the following levels of housing disrepair in these census tracts:

<u>TRACT</u>	<u>DEGREE OF DISREPAIR</u>		
	Marginal	Deteriorating	Delapidated
6004	111	53	3
05	26	4	0
06	27	15	1
07	96	167	28
13	13	11	0
02	-	42	4
TOTALS	601	273	36

## II. Primary Assumptions

The housing rehabilitation work program is based upon these assumptions:

- the program system should be operated in an efficient, unbureaucratic manner. The level of detail in a number of jurisdictions appears to detract from the purposes of the program.
- the role of the City and the role of the lending institution (s) should be clearly defined. They should be readily comprehensible to the potential participant.

<sup>1</sup> Housing rehabilitation was recommended earlier by the City's Housing Advisory Committee



- the program should serve the entire community but be structured in such a manner that it clearly favors sub-census areas in greatest need. Based upon preliminary analysis there are no neighborhoods in rapid decline. The area with the greatest degree of disrepair is adjacent to BART. Here market forces will act to keep property values high and homes in adequate condition.
- the market forces coupled with broad scale activities like the commercial redevelopment of Mission and Junipero Serra Streets will be the primary forces which keep the center city area a vital, attractive place to live.
- the goal of the rehabilitation program is to upgrade housing in a wide portion of the City based upon the initiative of the owner and the outreach efforts of the City. This is contrary to program efforts in larger cities where small neighborhood areas are the focus for a concentrated rehabilitation and public works effort.
- the program's goals of 50 units the first year, 300 over three years and 600 over six years will meet the mapped housing disrepair problems. Newer sections of the City are showing signs of disrepair though there is no indication if these signs require cosmetic or structural remedies.
- the role of the City's Building and Electrical Divisions will be to assist homeowners in determining rehabilitation needs and estimates of cost. The comprehensive code enforcement program linked to the rehabilitation will exist activities/ only insofar as the elimination of life-safety hazards is necessary.

### III. The Housing Rehabilitation and Repair System

There are six components to the housing rehabilitation and repair system:

- outreach and promotion
- low application and financing
- rehabilitation





- supportive services
- other housing services
- management and policies

The components are presented in the above order and a flow chart is offered to give a sense of the flow of activities over time and in the course of one home owner making application for assistance.

#### A. Outreach and Promotion

There should be an extensive and varied program to interpret this rehabilitation program in the community. The nature of this communication effort should be multifaceted and on-going. Elements of the program include:

- newspaper publicity
- mailings with water bills (multi-lingual?)
- printed information for handout and for circulation in priority areas
- neighborhood meetings in priority areas (multi-lingual?)
- communications with community groups, churches and other opinion formation bodies
- presentations to civic groups

The emphasis of the effort should be at two levels: broad scale information dissemination and an intensive interpretative effort in the priority areas.

The Department of Community Development will coordinate the information preparation activities. Both the Community Development Department and the Building and Electrical Divisions will work at the neighborhood area to interpret the program and encourage participation. For example, it has been suggested that block meetings should be organized to present the program. This level of detail is very important.



The outreach activities refer to going into the community to actively interpret the program. The publicity refers to the creation of printed materials, presentation aids, and activities like the mailings with water bills. The materials will set forth the specifics of the subsidy system and the other services offered under this program.

B. Loan Application and Financing

There are a multiplicity of rehabilitation loan and subsidy approaches from which the City may choose. Most seem to involve a great deal of administrative costs. / Our goal is to keep administration to a minimum by separating entirely the City's subsidy role from the lending institution's banking function.

For the initial program year, Daly City has allocated between 80 and 90 thousand dollars to rehabilitation. These funds may be used as leverage to generate additional monies. At present, Daly City does its banking with the First National Bank of Daly City. The local branch is situated within the area to be primarily impacted by rehabilitation activities, and consequently it may be inclined to join the program because of civic pride and community relations factors. However, the more tangible incentive of an eighty thousand dollar time deposit should also encourage the bank's participation. By putting the allocated funds into an interest-bearing account, approximately four times the deposited funds would be created for potential loan purposes. Through an agreement with the bank, the City ought to ensure that these created funds would be available for only rehabilitation loans for participants.

Once the City and the bank work out an arrangement to guarantee that loanable funds would be available, the bank would process applications employing its normal procedures and criteria. All loans would be made at the going market interest rate. The City would become involved at two levels:



- 1) If an applicant were refused a loan because of a poor credit rating or lack of collateral, the City could choose to insure the loan by putting sufficient funds into a special escrow account.
- 2) By means of formula, the City would determine the degree of subsidy any particular applicant would be eligible for.

The proposed rehabilitation loan application process would generally be as follows. An interested property owner would inquire at City Hall. Employees of the City's Building Division would inspect the structure and determine those items which required improvement. An initial cost of work estimate would then be prepared. Department of Community Development Staff would calculate the amount of subsidy the applicant would be eligible for. The applicant, if still interested in rehabilitating his property, would proceed to negotiate a loan from the lending institution. If for any reason the applicant was unable to secure a loan, the City could choose to provide adequate insurance.

Once a loan had been attained, the City would send the work contract out for bids with a low bid from a list of three. Upon completion of the specified work and a subsequent inspection, the City would provide the applicant with an initial subsidy payment. Further payments would be sent out at six-month intervals over the life of the loan.

The amount of subsidy any property owner could receive would be determined by a point system. Technically each and every residential property owner in the City would be eligible if:

- 1) Their property was located in an area designated by the General Plan as being residential.
- 2) Their annual family income from all sources was less than \$4000 per capita.





Assuming an applicant qualified under these conditions, an eight factor formula would be employed to ascertain the appropriate subsidy level. The parameters would be as follows:

1. Location of property:
  - 20 points if within primary target area (yet to be determined)
  - 10 points if within secondary target area
  - 6 points if within tertiary target area
2. Per Capita family income:
  - 20 points if <\$1000
  - 16 points if between \$1000 and \$1499
  - 12 points if between \$1500 and \$1999
  - 8 points if between \$2000 and \$2499
  - 4 points if between \$2500 and \$3000
  - (4000 is cutoff point)
3. Age of household head:
  - 10 points if >65 years of age.
4. Length of ownership:
  - 10 points if >20 years
  - 8 points if between 15 and 20 years
  - 6 points if between 10 and 15 years
  - 4 points if between 5 and 10 years
  - 2 points if between 1 and 5 years
5. Nonprofit sponsor:
  - 10 points bonus
6. Owner/occupant
  - 6 point bonus
7. Single-family dwelling:
  - 4 point bonus



8. Monthly mortgage payments as percentage of family income

6 points if <sup>></sup>40%

4 points if between 30 and 40%

2 points if between 20 and 30%

Obviously, long time single-family home owner/occupants living in the first priority area would be given preferential treatment. Elderly and low income families would also be eligible for larger subsidies. Although absentee landlords of multi-family structures are not automatically eliminated from subsidy consideration, the formula is so weighted that they would be able to obtain only very minimal assistance, if any. The number of points accumulated by an applicant would determine the percentage of the loan principle which would be subsidized. The following conversion table illustrates the relationship between point value and assistance level:

	<u>Total Points</u>	<u>Percent of Principle Subsidized</u>
Grant	66-76	100%
	65	95
	64	90
	63	85
	62	80
	61	75
	60	70
	59	65
	58	60
	57	57
	56	54
	55	51
	54	48
	53	45
	52	42
	51	39
	50	36
	49	33
	48	30
	47	27
	46	24
	45	23
	44	22
	43	21
	42	20
	41	19
	40	18





39	17
38	16
37	15
36	14
35	13
34	12
33	11
32	10
31	9
30	8
29	7
28	6
27	5
26	4
25	3
24	2
23	1
0-22	0

An example should serve to demonstrate the proposed City subsidy function. The Jones family approaches Daly City regarding the rehabilitation of their property. Once initial eligibility has been determined, the City Building Inspection Division establishes that \$5000 of repair work is needed. Mr. Jones makes the following information known to the Department of Community Development:

1. There are four members of his immediate family.
- 2) His total family income is \$7500.
- 3) His monthly mortgage payment equals \$190.
- 4) He has owned and lived in his single family home for seven years.
- 5) Said home is located within the first priority area.
- 6) The household head (Mr. Jones) is less than 65 years of age.

Given these facts the point value may be calculated.

- 1) Location of property: 20 points
- 2) Per Capita family income: 12 points
- 3) Age of household head: 0 points
- 4) Length of ownership: 4 points



- 5) Nonprofit sponsor: 0 points
- 6) Owner/occupant: 6 points
- 7) Single-family dwelling: 4 points
- 8) Monthly mortgage payment as percentage of family income: 4 points

Total Point Value: 50

The conversion table indicates that 50 points would allow a 36% subsidy of the loan principle. Assume that Mr. Jones negotiates a loan with the following characteristics:

- 1) \$5000 principle
- 2) 10 year term
- 3) 8 percent interest

The City would provide a total subsidy of \$1800 to be paid at 6-month installments over a period of 10 years. Thus Mr. Jones would receive a check from the City for \$90 every 6 months for the next 10 years. Monthly payments to the bank would total \$60.65 while the monthly subsidy would amount to \$15. Therefore, Mr. Jones would have to pay \$45.65 per month out of his own resources.

Several additional refinements to the rehabilitation program will be needed to ensure an equitable disbursement of the allocated funds. As a general rule, no loan in excess of 50% of the subject property's market value should be subsidized. Furthermore, a maximum loan ceiling of \$10,000 should be instituted. These two requirements should help to guarantee that loans and subsidies make economic as well as social sense.

Just as strict administration of the Zoning Ordinance may in certain cases lead to inequities, rigid adherence to the statistical system proposed above may result in an occasional unfair allocation. Thus an Appeals Committee



should be set up which could make exceptions to the formula system. This group could also act as an advisory body to the overall rehabilitation function. Essentially the Committee should be able to allow "variances" in three areas:

- 1) An addition to the applicant's point total of up to 20% due to circumstances not reflected in the subsidy formula. For instance, substantial outstanding financial obligations may qualify an applicant for a larger subsidy.
- 2) An exception to the type of residential use to be rehabilitated. Senior citizens care facilities, parentless children's homes, disturbed youth care centers, and half-way houses would not be eligible for subsidy under the criteria enumerated above. However, the Advisory Committee may find that a rehabilitation subsidy to assist these uses would meet a recognized community objective.
- 3) An adjustment to the list of items to be rehabilitated. Technically only those work items needed to bring a particular piece of property up to code would be eligible for subsidy. The Rehabilitation Advisory Committee might find that in exceptional circumstances cosmetic or functional improvements might warrant a subsidy. Finally, the Advisory Committee should make decisions regarding the securing of loans. Applicants unable to procure a bank loan could appeal to the City. The Committee would then decide whether it should provide the necessary collateral, including owner's equity, to the bank in order to secure the desired loan.

The Rehabilitation Advisory Committee should be composed of five members - one Planning Commissioner, one member of the banking community and three citizens to be nominated by target area local citizens groups. The City's Finance Department and Department of Community Development would act as Staff to the Committee.





When an applicant decides to proceed with a property improvement project and he is eligible for subsidy, an agreement between the applicant and the City should be signed. The exact format of the agreement would have to be set by the City Attorney. However, two basic points should be contained. First, a windfall provision freeing the City from its subsidy obligation in the event of a radical improvement in the property owner's financial situation should be included. Second, if the property is sold prior to the full repayment of the loan, the City should agree to pay the unpaid subsidy balance at a discounted value. For instance, if five years still remain on the loan, the City would pay the outstanding subsidy amount at the time of the sale discounted by the going market interest rate.

#### C. Rehabilitation

As mentioned, housing rehabilitation would be done on a bid basis if Federal funds are used. It is the recommended procedure when it is exclusively a bank loan. The banks may have their own requirements. The Building Division suggested that combining a number of individual unit rehabilitations into a package can produce significant savings through economies of scale. In a case like this, the City would be the likely coordinator of the bid procedures. The Department of Community Development has held discussions with the County Housing Authority wherein it was proposed that the Authority provide work crews comprised of unemployed, skilled workers to do rehabilitation work. The employees would come from North County and would include substantial minority representation. Since the Davis-Bacon requirements are not applicable till the eight unit level is reached, there may be major advantages in going with the County Housing Authority. However, it appears that the Housing Authority was referring to units owned by a public agency.



The Building Division has suggested that the City be responsible for the bidding process since it has a history of doing competitive bidding. It is felt that the City cannot recommend contractors. However, it can provide a list of contractors who have performed satisfactorily on City contracts.

The Building Division has maintained that given the level of unemployment in the building trades, primary consideration should be given to making the rehabilitation activities attractive for local contractors. A policy decision will have to be made on the extent to which this program aids local contracts and the extent to which efficient rehabilitation is of greater importance. HUD requirements include both affirmative action and preference in hiring for persons living in the immediate (neighborhood) area as requirements in contracting and sub-contracting. Therefore, contractors would be required to include minority employment information and plans to hire locally in doing the rehabilitation work. The application of these requirements become reasonably invalid at the one unit level where a contractor is doing a \$5000 rehabilitation job. The City may wish to consider a minimum dollar level below which the requirements are contractual but the enforcement is minimal. (We should recall that the Community Development Plan includes a goal of 75 jobs created from the priority service areas.)



It is assumed that contractual payments will be based upon Building Division and Electrical Division inspection and approval of a portion and/or all of the rehabilitation work. This given the City controls over shoddy and substandard work. It is a normal procedure on rehabilitation contracting.

The extent to which the City becomes involved in the contractual activities requires careful consideration. There are advantages for becoming involved in terms of assisting a homeowner do something possibly quite foreign to him. Possibly, the City's role should be based upon a request for assistance.

In this approach, an agreement is worked out which details the nature of the City's assistance in the bid process. It can range from technical assistance and advice to actually taking over the contracting activities and negotiating the contract on behalf of the home owner. If we follow the policy of minimizing the red tape and delays which naturally occur when the City bureaucracy gets involved, then the participation is based upon voluntary assistance rather than mandatory assistance of the City.

The Original Daly City Protective Association requested that the City use the standard of "decent, safe and sanitary" as the basis for rehabilitation. The Building Division feels that the City must abide by the building code which is the latest adopted codes. In the Uniform Building Code a renovation which costs 25% or less of current market value may be based upon the materials used at the time of the original construction if approved by the building official and only that segment must be brought up to current code. Twenty-six percent to 50% requires the rehabilitation to meet current code requirements. Above 50% the entire dwelling must be brought to code. While there is some margin of flexibility, these are the standards which the City must abide by. The extent to which the City will be flexible remains a matter for a policy decision.





The home owner who wishes to get a rehabilitation loan is somewhat the prisoner of the Building and Electrical Divisions' inspection conclusions. If they wish to make improvements beyond code requirements which are minima, this may pose a problem, e.g. bathtub bars for senior citizens, better quality materials. If they disagree with the way the code is interpreted, that there is not a deficiency though Building or Electrical says there is, there is an appeals procedure but it may not be a hopeful one. There is the problem of the home owner who asks for an inspection and who decides not to apply for a loan, or who applies for a loan and is turned down first by the bank and then by the City, how will the City treat the inspection information. All codes applicable are subject to a degree of latitude of interpretation. Additionally, the City can go only by housing and electrical codes.

One possibility is to make the rehabilitation program's policy committee the appeals body for all issues related to the rehabilitation program.

An additional level of appeal can be the City Council. This body may be seen as more sympathetic to the concerns of the home owner than the Building and Electrical Divisions personnel.

Regarding the question of how the City handles information of deficiencies, there is the problem of unequal application of the rules. If the Building and Electrical Divisions only warn the resident that his home is not up to code (the person who requests an inspection but decides not to participate in the program or whom the program does not accept) yet at the same time requires the person buying a home to make the necessary improvements, is this creating a double standard? One suggestion that has been made is that the Building and Electrical Divisions make a "report of condition" rather than a "report of deficiency." The "report of condition" is considered a service which the home owner can request but which is unofficial in nature. At the point where



the home owner wishes to participate in the rehabilitation program, the "report of deficiency" can be filed along with the City's estimate of cost to eliminate the deficiencies. This estimate should be based upon eliminating the deficiency (minima) plus qualitative considerations which the home owner wishes to include in the rehabilitation beyond the minima, up to the previously established maximum loan limitation.

#### D. Supportive Services

There are a number of services which the City can perform which support the intent of the program. The idea of the "report of home condition" is one example. Let us assume that a report of condition indicates that the home is in need of exterior and interior painting and the yard cleaned up but that there are no structural or code deficiencies based upon the code in force at the time of original construction. Should the City provide a service related to the clean-up and painting?

It was suggested in an earlier discussion draft that a portion of the Federal funds used for rehabilitation be set aside to purchase paint for homes needing cosmetic treatment. This activity can be considered a support service. The parameters for eligibility could be based upon the same model as for the rehabilitation loans. Since the paint would be bought in large quantities it is assumed that it can be purchased at below market price for those persons who pay entirely for it. A maximum limit of say \$800 should be set. The money would cover the cost of the paint and for the application. Loans for this activity can be negotiated with the bank.

An alternative to the subsidy approach would be the gratis provision of exterior paint to all home owners in the priority service areas. The remainder of the City could apply under the formula method. In the case of gratis paint provision, there should be a stipulation that the painting commence within two months of receipt of paint.



The other City support services can be:

- the inspection leading to "report of condition"
- the provision of assistance in understanding the complications of zoning, building codes, deeds and related laws and documents
- the estimate of rehabilitation costs
- possible assistance in plan preparation
- technical assistance or City responsibility for the bid and contracting process
- arrangement of bid procedures to do multiple unit rehabilitation to save money
- possibly the provision of clean up crews in priority service areas





## ADDENDUM

### A. Departmental Responsibilities Under the Suggested Housing Rehabilitation Work Program

The following details a suggested division of responsibilities for the attached work program. Generally, the responsibilities fall along departmental lines. However, the Department of Community Development is adding some operations functions to its more traditional planning activities.

#### 1. Public Works - Building Division and Electrical Division

- assist in community meetings
- provide assistance in understanding the complications of housing, zoning, building codes and related documents
- perform the inspection leading to the report of conditions
- perform the report of deficiencies and rehabilitation cost estimates
- provide technical assistance or initiate the bid and contracting process as determined by the applicant
- arrange for rehabilitation contracting on more than one unit as determined by applicants
- perform periodic rehabilitation inspections and the final inspection on rehabilitation activities
- perform contract monitoring including affirmative action
- provide Staff assistance to Policy Committee

#### 2. Finance

- establish fiscal record keeping and monitoring system related to subsidy payments, secured loans and the paint program if initiated
- suggest methods for improving the fiscal aspects of the system

#### 3. Community Development

- coordinate the work program planning and implementation
- administer the work program
- coordinate the promotion and community meetings
- determine subsidy rates
- monitor and evaluate the work program
- coordinate and provide Staff assistance to the Policy Committee



